

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

January 30, 2014

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, January 30, 2014, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Richard DeMerchant.

Mr. Joseph Monteiro joined the meeting in progress at approximately 9:37 a.m.

The following Directors were absent: Mr. Raymond Fogarty

Also present were: Mr. William Ash, Director of Financial Services for the Rhode Island Commerce Corporation, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Staff, Mr. Marcel Valois, Executive Director of the Rhode Island Commerce Corporation, Mr. Paul Harden, a member of Client Services for the Rhode Island Commerce Corporation, and Ms. Ellen Corneau, Esq., Moses Afonso Ryan Ltd.

Mr. DeMerchant presided over the meeting.

1. Call to Order.

Mr. DeMerchant called the meeting to order at 9:35 a.m.

2. Approval of the Minutes of the Meeting held on December 19, 2013

The first item to come before the Board was approval of the Minutes of the Board meeting held on December 19, 2013. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to approve the Public and Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro and Mr. Fogarty.

3. Maintain the Executive Minutes of the December 19, 2013 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on December 19, 2013. Upon motion duly made by Ms. Placencia and seconded by Mr. Pagliarini, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro and Mr. Fogarty.

Mr. Monteiro joined the meeting at this time.

4. Report of Cash Position as of December 31, 2013

Staff asked if there were any questions or comments regarding the Cash Report for the period ended December 31, 2013 (Exhibit A). Staff noted that the next report would not have the commitment to Schulz Boat listed as the commitment had expired. It was also anticipated that Bradley Press will be drawing funds in the very near future. There was no further discussion regarding this report.

5. Delinquency Loan Report as of January 27, 2014

Mr. DeMerchant asked if there were any questions regarding the Loan Delinquency report dated January 27, 2014 (Exhibit B). Mr. Price noted that further discussion could take place in Executive Session regarding any legal action to be taken against delinquent Borrowers. It was also noted that payment had been received by Providence Specialty Products and that Safelight Security systems anticipated collecting on a large receivable very soon and would bring the loan current upon receipt of funds.

6. Appointment of William Ash as an Administrator for the Corporation

Staff advised the board that Mr. William Ash had recently joined the Rhode Island Commerce Corporation as the Director of Financial Services. It was noted that it was customary for the Director of Financial Services to also be an Administrator of the SBLFC. It was recommended that Mr. Ash be appointed as Administrator of the Corporation. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Monteiro, the motion to appoint William Ash as an Administrator of the Small Business Loan Fund Corporation was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Monteiro and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Fogarty.

7. Discussion regarding possible amendments to the SBLFC By-laws

Mr. Pagliarini stated the Rhode Island Commerce Corporation board of directors wished to expand the board of the SBLFC from five members to seven members. He asked that the board formally entertain a motion to expand the board.

Upon motion duly made by Mr. Pagliarini and seconded by Ms. Placencia, the motion to expand the SBLFC board of directors from five to seven members subject to any necessary amendments to its By-Laws or any required approval from the US Economic Development Administration was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Monteiro and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Fogarty.

8. Other Business

Mr. Valois provided the board with an update regarding the State Small Business Credit Initiative (“SSBCI”) program. He advised the board that the federal review of the Rhode Island program was nearly complete. The Office of the Inspector General (“OIG”) was in the process of finalizing the report which would then be provided to the Department of Administration for review and comment. He noted that he would keep the board apprised of the progression of this report.

Executive Session

Mr. DeMerchant suggested that the Board move into Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Placencia, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Monteiro and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Fogarty.

Public Session concluded and Executive Session began at 10:12 a.m.

9. Executive Session Vote Ratification

Mr. DeMerchant announced that there were no votes taken during Executive Session.

Adjournment

There being no further business to come before the Board, Mr. DeMerchant called for a vote to adjourn the meeting. Upon motion duly made by Ms. Placencia and seconded by Mr. Monteiro, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia, Mr. Monteiro and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Fogarty.

The meeting was adjourned at 10:37 a.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary